



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

January 15, 1998

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CAMPBELL, CARR, et. al.

Texaco Exploration and Production, Inc.
c/o William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

AMENDED Administrative Order DD-167(H)
High Angle/Horizontal

Dear Mr. Carr:

By Division Administrative Order DD-167(H), dated April 16, 1997, authorization was given Texaco Exploration and Production, Inc. ("Texaco") to initiate a high angle/horizontal directional drilling project within a non-standard 160-acre oil spacing and proration unit comprising the SE/4 of Section 28, Township 17 South, Range 34 East, NMPM, North Vacuum-Abo Pool, North Vacuum Abo West Unit, North Vacuum Abo West Unit Waterflood Project Area, Lea County, New Mexico, by drilling its North Vacuum Abo West Unit Well No. 28 (API No. 30-025-33926) at a standard North Vacuum-Abo Pool surface oil well location 1980 feet from the South line and 760 feet from the East line (Unit I) of said Section 28, drill vertically to an approximate depth of 8,600 feet, kick-off in a southwesterly direction with a short radius wellbore (57.3 degrees/100 feet), and drill horizontally a lateral distance of approximately 1,800 feet through the Abo formation. Said order further provided for an applicable drilling window or "producing area" for said horizontal wellbore such that no portion of the producing interval of said wellbore is to be no closer than 660 feet from the outer boundary of said 160-acre tract.

Reference is now made to your letter with attachments dated December 23, 1997, whereby an amendment should be issued in this order to change the size of the assigned producing area so that it accurately reflects the North Vacuum Abo Pool's setback requirements.

The Division Director Finds That:

- (1) This application was originally approved under the provisions of Rule 111.D of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11274 on June 13, 1995 (being applicable at that time);
- (2) This amendment has been duly filed under the provisions of the Rule 111.A(9) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10817, issued by the Oil Conservation Commission in Case 11762 on July 14, 1997 (currently in effect), and Rule 4 of the "Special Rules and Regulations for the North Vacuum-Abo (Oil) Pool," as promulgated by Division Order No. R-2421, as amended.

IT IS THEREFORE ORDERED THAT

(1) Decretory Paragraph 2(a) (i) on page 3 of Division Administrative Order DD-167(H), dated April 16, 1997, is hereby amended to read in its entirety as follows:


"(3) The "spacing area" for said horizontal wellbore shall include an area within the NE/4 of said Section 28 that is no closer than 460 feet from the outer boundary of said quarter section."

(2) All other provisions of Order DD-167(H) not in conflict with this change shall remain in full force and effect until further order.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


KATHLEEN A. GARLAND
Acting Director

S E A L

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: DD-167(H)